according to the requirement is rather more but from certain places and States, shortage had been reported. The main reason was that imports had to be lined up and there was bunching. All the ships which were coming with the import had been lined up at JNPT and Vizag ports. Particularly we had problems in evacuating 1.3 lakh tonnes imported through Vizag Port because there were two cyclones in Andhra Pradesh and evacuation was delayed by three-four weeks. Now this has already been evacuated. 1.10 lakh tonnes has already been brought in and it has been supplied to all the States. Currently, no shortage is reported by any State except the States, of West Bengal where fertilizer will be needed with a delayed effect and it is being reached to West Bengal too.

श्री जनार्दन यादव: बिहार में भी नहीं मिल रहा है।

SHRI H.K. JAVARE GOWDA: There is non-supply of fertilizers in time. The season has gone, Ryots suffered to a great extent and they cannot be compensated in any manner. Had it been anticipated, it could have been avoided and the manure could have been supplied.

Manufacture of alcohol from coarse grains

*262. SHRI O.P. KOHLI:†
SHRI JANARDHANA POOJARY:

Will the PRIME MINISTER be pleased to State:

(a) whether Government's attention has been drawn to the news-item which appeared in the 'Times of India' dated the 18th November, 1998 captioned "Whisky from poor man's food";

(b) whether Government have given clearance to multinational beverage giant Seagram for manufacturing alcohol from coarse grains like bajra, maize, sorghum and millets;

(c) if so, the reasons therefor;

(d) whether government are aware that these coarse grains are mostly consumed by poor sections of society;

(e) whether Government have taken into consideration the impact such a move will have on the supply and prices of such foodgrains; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) to (f) A statement is laid on the Table of the House.

Statement

Manufacture of alcohol from coarse grains

Government have seen the news item. After liberalisation of the economy in 1991 foreign investment was also allowed in the potable alcohol sector. The policy for foreign investment in the potable alcohol sector envisaged setting up of joint ventures with only those Indian companies who were holding valid industrial licence to make alcoholic drinks from non-molasses based raw-material. The raw-material which could be used included potatoes, tapioca, mahua flowers, cashew, apple, sugarbeet, beetroot, fruits of various types, coarse grains (maize, jawar, bajra), spoiled wheat/rice. In accordance with this policy M/s. Seagram Co. Ltd., Canada were granted Foreign Collaboration Approval on 20.7.1993 to set-up a wholly owned subsidiary for establishment of non-molasses based manufacturing/blending facility of 25,000 kilolitres per annum. The approval was subject to the condition that manufacturing/blending will be done with an existing licence holder and using existing licenced capacity. Subsequently, Letter of Intent held by Shri Anil Jain with a capacity to produce 5,000 KLs per annum of potable alcohol based on non-molasses raw-materials was transferred in favour of the joint venture company viz. M/s. Seagram manufacturing Ltd. on 20.5.1994. The Letter of Intent was converted into industrial Licence on 15.12.1994.

The Industrial Licence contains an explicit condition about the manner in which the raw-material is to be procured by the licence holder. The condition reads as under:–

In respect of raw material, procurement will not be made from open market but from or through the Food Corporation of India or from recognised Central/State Agencies. In the event

† The question was actually asked on the floor of the House by Shri O.P. Kohli.

of shortage of any raw-material (particularly potato, fruits, coarse grains etc.) in particular State/area, the use thereof for the manufacture of Alcohol will be regulated in accordance with the instruction/orders of the State Government concerned.

The aforesaid condition stipulated in the Industrial Licence takes care of the interests of the consumers of such raw-materials and in case of shortage of raw-material to be used by the company, the procurement is to be regulated by the state Government concerned.

श्री ओम प्रकाश कोहली: आदरणीय सभापति जी, मैं माननीय मंत्री जी से यह जानना चाहता हूं कि क्या देश में शीरे की कमी है जिसकी वजह से मोटे अनाज की शराब तैयार करने की अनुमति बहु-राष्ट्रीय कंपनियों को दी गई है? मेरे सवाल का दूसरा भाग है कि मोटे अनाज से निकाली गई शराब की शीरे से निकाली गई शराब के मुकाबले विशेष गुणवत्ता क्या है? मेरे प्रश्न का तीसरा भाग यह है कि इस समय देश में प्रति वर्ष मोटे अनाज से कुल कितनी शराब निकाली जा रही है और उसमें कुल कितने मोटे अनाज की खपत हो रही है?

श्री सोमपाल: सभापति महोदय, शीरे की कमी नहीं है परन्तु बहुत सारा मोटा अनाज सड़ने के कारण या दूसरे कारणों से तथा बहुत सारी सब्जी और फलों के संबंध में एक अध्ययन के अनुसार यह पाया गया है कि 25 से 40 प्रतिशत के करीब यह खराब हो जाती है। इन दोनों बातों को ध्यान में रखते हुए मोटे अनाज, खराब सब्जी और फलों के द्वारा शराब बनाये जाने के लिए लाइसेंस दिए जाने की बात की गई थी। 1994 में यह लाइसेंस सीग्राम, कनाडा को निर्गत किया गया था और उससे यह शराब बनाई जा रही है। जहां तक उसकी विशेषता या गुणवत्ता का प्रश्न है, यह बात मानी जाती है कि शीरे के बजाय यदि इससे शराब बनाई जाए तो वह ज्यादा इको-फ्रेंडली है। जहां तक लागत का सवाल है (**व्यवधान**)

श्री एम॰ वैंकेया नायडू: शराब भी इको-फ्रेंडली होता है? (**व्यवधान**)

श्री सोमपाल: अल्कोहल ज्यादा इको-फ्रेंडली है। (**व्यवधान**) सभापति महोदय, मैं स्वयं तो शराब पीता नहीं हूं और न उसका स्वाद जानता हूं। जो बात वैज्ञानिकों द्वारा बताई गई है, उसके आधार पर यह बात कही जा रही है। जहां तक प्रश्न है कि मोटे अनाज की जो खपत है या उसके दाम के ऊपर कोई प्रभाव पड़ने वाला है, जितनी भी शराब इससे बनाई जा रही है, यदि सभी कम्पनियां जिनको लाइसेंस दिया गया है, अपनी पूरी क्षमता के अनुसार भी आपरेट करें तो भी 0.75 प्रतिशत मोटे अनाज की खपत इसमें जाएगी। जो वर्तमान उत्पादन हो रहा है, उसमें केवल 0.3 मोटे अनाज की खपत हो रही है।

श्री ओम प्रकाश कोहली: सभापति महोदय, सरकार ने जो मेरे प्रश्न का उत्तर दिया, उसमें कहा गया है औद्योगिक लाइसेंस में लाइसेंस धारक द्वारा कच्चा माल प्राप्त करने के संबंध में स्पष्ट शर्त सभाविष्ट है। उस में यह कहा गया है कि कच्चे माल की खरीद खुले बाजार से नहीं की जाएगी बल्कि भारतीय खाद्य निगम से या उनके मार्फत मान्यता प्राप्त केन्द्रीय/राज्य एजेंसियों से की जाएगी। किसी राज्य/क्षेत्र विशेष में किसी कच्चे माल की कमी की स्थिति में अल्कोहल तैयार करने के लिए उनका इस्तेमाल संबंधित राज्य सरकार के आदेशों/अनुदेशों के अनुसार नियंत्रित किया जाएगा। मैं माननीय मंत्री जी से यह जानना चाहूंगा कि लाइसेंस में जो शर्तें समाविष्ट की गई हैं, उन शर्तों का कम्पनीज़ ठीक पालन करें इसके लिए सरकार का निगरानी तंत्र क्या है और क्या सरकार के पास कोई इस प्रकार की शिकायतें आई हैं कि कम्पनियों ने लाइसेंस में समाविष्ट शर्तों का उल्लंघन किया है और यदि इस प्रकार की शिकायतें आई हैं तो सरकार ने क्या कार्यवाही की है?

श्री सोमपाल: सभापति महोदय, यह बात सही है कि लाइसेंस निर्गत करते समय यह शर्त उस लाइसेंस का अंतरंग भाग थी और अभी तक सरकार को कोई भी इस संबंध में शिकायत नहीं मिली है कि इस कम्पनी ने इस शर्त का कोई उल्लंघन किया है।

SHRI JANARDHANA POOJARY: Sir, M/s. Seagram Company Limited, Canada, has been granted licence. It is a foreign company. The raw material which would be used, according to the answer includes potatoes, tapioca, mahua flowers, cashew, apple, sugarbeet, beetroot, fruits of various types, coarse grains like maize, jawar, bajra and spoiled wheat or rice. Sir, we know that millions of poor people eat coarse grains. Sir, potatoes are also being used. Sir, foreign companies are also entering the country to use this type of raw material for the purpose of manufacturing whisky. They are manufacturing whisky by making use of the poor people's food. This is the attitude. Therefore, I would like to know whether, after considering the performance achieved so far, the Government is thinking of reviewing the earlier policy. Otherwise, the public distribution system will

be affected and this material instead of going to the public distribution system would go to the liquor manufacturing companies.

SHRI SOMPAL: Mr. Chairman, Sir, I have tried to allay the apprehension and said that there will not be any impact on the availability of coarse foodgrains, which are consumed by the poor people. Sir, an additional fact, which should be borne in mind, and which is more important, is that all these coarse-grains are being grown in the rain-fed areas mostly by the marginal and poor farmers. The trend observed over the past three or four decades indicates that the productivity of these grains is going up, but not very much, and the prices received by these farmers are very low. The hon. Member sitting beside Mr. Poojary, Shrimati Urmilaben Patel, would bear me out that the prices of these coarse-grains have dipped many a time below the minimum support price. Thirdly, Sir, the coarse grains are not distributed through the public distribution system so far. And having given the percentage of 0.75, if all the units, which had been granted licence for making alcohal with coarse grains, start producing it, only 0.75 per cent of the coarse grain would be utilised. So, it is hardly to have any impact. Rather it is a deliberate and intended policy of the Government that the market of these coarse grains must expand and the prices received by the farmers must improve, so that their economy can improve. It is particularly to take care of the waste and rotten material, including those of vegetables, fruits and foodgrains that licences were granted. Otherwise, it was being wasted totally. The purpose is that they should be utilised for productive purposes.

श्री सूर्यभान पाटील वहाडणे: माननीय सभापति जी, उन्होंने उत्तर में कहा है-कच्चे माल जिनका इस्तेमाल हो सकता है, के अंतर्गत आलू, टेपियोका, महुआ के फूल, काजू, सेब, चुकन्दर आदि-आदि है और इनका उपयोग ड्रिंक बनाने के लिए हो रहा है। यह सरकार बनने के बाद सरकार का मानस सामने आया है। सरकार का मानस हमेशा सामने आया है कि डब्ल्यूटीओ के अंतर्गत रहते हुए भी हम केवल इन्फ्रास्ट्रक्चर में निवेश करने की अनुमति देने के बारे में विचार करेंगे। ऐसे कहा है। यह साफ्ट ड्रिंक हो या अल्कोहल ड्रिंक उसमें एक कंपनी को लाइसेंस दिया है। मेरा यह प्रश्न है कि वह लाइसेंस दिया है ठीक है। लेकिन आगे बहुराष्ट्रीय कंपनियां जो इसमें आना चाहती है क्या उनको अनुमति न देने के बारे में सरकार विचार करेगी

SHRI SOMPAL: Sir, all such decisions are taken according to a decided policy framework under the industrial development rules. This is a wider question which is totally outside the gamut of the present question.

SHRI S.B. CHAVAN: Sir, my question arises out of the reply that the hon. Minister has given. He said that the coarse grains are not being used for public distribution and the Government would like to give incentive to the coarse grains growers. Sir, this is a strange way of giving incentive that instead of utilising coarse grains for the public distribution system, they are utilising it for manufacturing alcohal and other things. Sir, it is the coarse grain which is consumed by the poorer sections of the society. You might give wheat and other things to them, but they normally don't consume them. It is the coarse grain which is required by them. In fact, if the Government is sincere about helping the coarse grains growers, then the best way would be instead of manufacturing alcohol and other things to utilise them in the public distribution system and give a definite price to the farmers, because it will be a sort of sustenance even for the poorer sections of the society.

SHRI SOMPAL: Sir, Chavan Saheb had been the Finance Minister as well as the Home Minister of the Government of India. So far as the public distribution system is concerned, we are continuing the policy which has been there. Sir, the public distribution system procures only those grains which are supposed to go very high in prices in the market. The coarse grains are available at reasonable prices to the consumers. So, from that point of view, the coarse grains were not included in the public distribution system. But I agree with him that for providing support to the farmers, there has been a demand for this thing. The Standing Committee on Agriculture on several occasions recommended that coarse grains should be included in public distribution system. But the problem is, there is hardly any demand for these grains because they are available in the market at reasonable prices. Therefore, there

is no case for including them in the public distribution system.

MR. CHAIRMAN: Next Question No. 263.

Fiscal Deficit in Ninth Plan

*263. PROF. A. LAKSHMISAGAR:
SHRIMATI KAMLA SINHA:†

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that high rate of fiscal deficit in the Ninth Plan period is anticipated by Government;

(b) if so, the considerations on which the Ninth Plan projections were made and the circumstances considered to be the factors responsible for the anticipated fiscal deficit;

(c) the anticipated deficit in the Gross Domestic Product (GDP) by the end of the Plan period; and

(d) the manner in which Government propose to move in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) and (b) The Gross Fiscal Deficit of the Central Government was of the order of 5.9 per cent of GDP during the Eighth Five Year Plan period. As against this, an average Fiscal Deficit of 5 per cent is projected for the Ninth Five Year Plan period. The experience gained so far in the first two year of the Plan (1997-98 and 1998-99) with regard to the financial position of the Government and the existing economic situation have been kept in view in working out this projection.

(c) and (d) It is anticipated that the targetted GDP growth of 6.5 per cent annum on the average will be achieved during the five years of the Ninth Plan.

SHRIMATI KAMLA SINHA: Mr. Chairman, Sir, if we look at the economic picture of the country, it appears that this Government is running in an *ad hoc* manner. The United Front Government placed a draft of the Ninth Plan, the period of which is 1997—2000. But till today this Government has failed to place the final plan. The written reply given by the Minister is incomplete. It says, "The Gross Fiscal Deficit of the Central Government was of the order of 5.9 per cent..." We have seen that the fiscal deficit of 1997-98 was projected at 6.1 per cent of the GDP. The current year's fiscal deficit is 5.6 per cent. We also know that the Government's projections on all fronts has failed. The low industrial growth is one of the reasons. There is a slowing down of industrial production. There is a slowing down of exports. There is an increase in imports. I would like to know from the Minister what specific plan the Government has to rectify all these things so that the deficit can be kept to the minimum.

SHRI RAM NAIK: Mr. Chairman, Sir, I must say that in the Eighth Plan the Gross Fiscal Deficit of the GDP was 5.9 per cent. As of now, we are projecting—on the basis of the work done—that it would be to the extent of 5 per cent. So, if we compare our projection of fiscal deficit with the previous Plan, it is not going to be high. It is going to be less. As I said earlier, our projection is to the extent of 5 per cent. Therefore, higher deficit is not going to be there when compared to the Eighth Plan.

SHRIMATI KAMLA SINHA: Mr. Chairman, Sir, I would like to know from the Minister whether it is a fact that the Planning Commission in its earlier draft had emphasised the need to keep the fiscal deficit under check to reduce the Government's borrowing and bring down the interest rates. It also discussed several new areas where taxes could be levied. The draft also proposed measures to widen the tax base and make revenue byoyant. Whatever the Planning Commission had recommended in the earlier draft, the present Government is just going in the opposite direction. The public expenditure is growing higher and higher. Every day the income is coming down. The industrial growth has almost come to a standstill. Exports also have come to a standstill. Imports are increasing at a higher level. So, what has the Government to say about it?

SHRI RAM NAIK: Mr. Chairman, Sir, at present the Member is not as well-informed as she should have been because...

† The question was actually asked on the floor of the House by Shrimati Kamla Sinha.